

## PLENARY SESSION—Opening Forum: Overview of the Major Investment Process

### Overview of ISTEA and MIS

*John Horsley, U.S. Department of Transportation*

We see a number of trend lines in transportation, especially in metropolitan America. These are as follows:

- The traffic on our highways doubled over the last 20 years, and it looks like it is going to double again over the next 30 years.
- Traffic is growing faster than we can build capacity to keep up with it, and we cannot build our way out of the problem. One community after another, especially the larger metropolitan centers, is recognizing that we cannot just build our way out with the traffic growth that has taken place.
- The pattern of exurban, suburban development that is taking place and the trend lines of dispersed development are increasing.
- Commutes to work are getting longer.
- More people are traveling alone in their cars.
- The market share for transit is not increasing.

A specific example of a region that attempted to deal with these modern realities is the Washington, D.C., metropolitan area. The area's long-range transportation plan was completed in 1994. To its credit, the Washington Council of Governments came up with a plan that met every Federal requirement and was financially constrained and realistic. It conformed to Clean Air Act requirements. It considered ISTEA's 15 planning elements and involved more citizens than had ever been involved in the process before.

As the plan explains in its introductory paragraph, the only problem is that it does not meet the region's need. This is what the plan said: The growth in people and jobs expected in the region during the next 25 years will produce a corresponding increase in traffic that will outstrip the relatively modest highway improvements

proposed in the plan. Yet, although congestion will increase dramatically, it will be expected to grow even worse without some of the facilities and strategies proposed in the plan. The good news is that the ISTEA planning process delivered a fiscally-constrained plan that was more sensitive to getting a handle on and solving the problems of air pollution. It involved citizens better than ever before. It included all of the good 15 planning factors. But what citizens are asking us for is solutions that work. I think that is the challenge of the MIS process.

There is a documented need to double investment in transportation. We are spending \$40 billion as a nation on transportation. We need to increase it by \$17 billion to maintain what we have. We need to double it to add the capacity the country truly needs. The fiscal constraint that is going to be the reality at least for the next decade is going to be the imperative from voters that "you cannot tax us anymore. We are taxed out. It is all we can do to keep our families together. Do not ask us to spend more." This public is going to impose a ceiling on the resources available to us. So, the lesson is that even if we had the resources necessary, adding capacity alone is not going to solve the transportation problems of our regions because traffic is far outstripping what any capacity addition could provide.

The second challenge is that significant new resources will not be on the table. We will be lucky to hang on to the market share of the Federal, State, and local transportation resources we have right now, because voters are not going to approve more taxes. We are not going to have more resources. So the challenge then is to do more with less. That is the MIS challenge.

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### Four factors for success

Four factors are needed to make a success of the MIS process that will achieve the challenge of solving problems with the resources available. *We have to shift our planning process from project programming to an emphasis on system performance.* Rather than looking

at improving capacity, project by project, we have to look at the entire system and not just think in terms of adding capacity to it. In some cases, adding capacity is what we need, but, in many cases, the need is to improve the performance of the system already in place. So the shift in planning is from project programming to strategies to improve system performance.

I have observed that *you are months ahead in the planning process if you build community consensus* rather than do a beautiful job of planning and engineering but leave the public out until the end. Then you may have to loop back and start all over. So, factor in the necessity of building community consensus from day one and involve the community in what you are trying to achieve. You will be able to execute the process faster, and it will not blow up on you as often.

Thirdly, in this day and age you cannot consider transportation mode by mode. *You have to factor in all of the modes when you are looking at solutions.* You just cannot balkanize anymore. We have to remove the barriers between modal consideration and have them all considered in any transportation strategy.

Another thing is that the voter revolt is not just about big government; it is against *bad* government. Citizens are losing their tolerance for waste, and they are also losing their tolerance for delay. They want practical solutions. They want to see that the planning process is adding value to the process and not just inserting obstacles to decision-making. What they are going to require from us, as a discipline, is to be part of the solution—and not part of the problem.

We can make the case for MIS because of its approach to consensus building, multi-modal involvement, and orientation to improving system performance. The MIS is part of the solution and not the problem.

Of the several good major investment studies, the one in Pocatello, Idaho, shaved six months off the process by community consensus building throughout the MIS process. Another one, in Miami, for the corridor between the Miami airport and the cruise terminals, had a complex array of players and challenges that were addressed to improve the capacity on this incredibly congested corridor. Miami is probably the cruise ship capital of the world, and most people going on cruises arrive in Miami by airplane. Miami is trying to devise a way to get them efficiently to and from the airport and the seaport, to get them on their cruise ships and off to the beautiful Caribbean.

The MIS study has included the Federal agencies up front and has obtained a signed agreement of involvement from about six different Federal agencies, including the Federal Highway, Transit, Aviation, and Rail Administrations, and the Coast Guard. By including Federal agencies and involving them as part of the solution, you will not have them playing “gotcha” at the end of the process.

Another good MIS example is the U.S. Route 301 corridor in Maryland. The corridor encompasses a rapidly growing suburban area to the east of Washington, D.C. Seventy-six different organizations are on the MIS task force, working on a multimodal solution.

### Overview of the ISTEA debate

I will conclude my presentation with an overview of the ISTEA debate and what is happening. The two biggest battles coming up this next year regarding ISTEA are going to be the funding levels and the donor/donee battle. In 1991, the promise of ISTEA was to increase transportation resources by 30 percent. That was a tremendous accomplishment. The challenge for the next ISTEA will be financing a transportation program during a period of fiscal constraint.

In 1993, the President proposed a transportation program at a level of \$279 billion for the next seven years. In 1994, he said we have to move towards a balanced budget and reduced this level further to \$260 billion. Congress, in its long-term seven-year budget in the balanced budget proposal, has proposed reducing further—down to \$245 billion a year.

The proposed budget does not say explicitly where the reduction of \$32 billion will come from in the transportation budget or what mode will be hardest hit. How much will come from highways or transit is not known, but if you look at the other major programs in the U.S. DOT—i.e., the Coast Guard and Federal Aviation Administration Air Traffic Control—it is unlikely that those two agencies are going to suffer significant cuts. So, if there is to be a \$7 billion annual budget reduction, it does not look good for highways or transit. Now, the good news: We have increased transportation investment for the past three years by \$2 billion a year over the previous levels for highways and for transit. The question is whether we can maintain this level of expenditure in the future.

The donor/donee battle is going to be worse in the next ISTEA. Florida's Senator Mack has already put in a bill that, except for sustaining maintenance of the interstate,

would turn all of those Federal air, highway, and transit resources back to the States.

Another major item for consideration in the next ISTEA is flexibility of funds. The States, at their national meeting in October, said they can do a better job of programming these resources. They do not think that MPOs in areas below a million people should be allocating Federal aid funds. They have sent a shot across the bows of the localities and the MPOs. We will see how the battle goes over where the decisions are going to be made—at the State capitals or retained at the MPOs.

Many transit agencies and many cities have said they do not receive a fair share of the votes of the MPOs, and we want the next legislation to intervene and deal with that. The future of the C-MAC Program is open to debate, and the future of the Enhancement Program is being debated.

Two casualties of the last year are the Unified Transportation Infrastructure Investment Program and the major reorganization of the USDOT. The UTIP is no more. In response to the 1994 elections, the Secretary proposed a dramatic reorganization of the U.S. Department of Transportation. While the reorganization has not occurred, there have been some organizational changes, including streamlining of the Coast Guard, approval of procurement, and personnel reform in the Federal Aviation Administration.

We are looking for ways to merge highways and transit—especially field offices—so that we have offices working in better convenience and programmatic collaboration, so that maybe you will have fewer offices to deal with.

The philosophy you are going to see coming out of the U.S. DOT is that we think ISTEA laid out some major advances over the previous approach. We think those advances have made an incredibly positive difference. We want to build the next version of ISTEA on this version of ISTEA. There are many principles passed in 1991 that we want to fight for and retain. Our approach is going to be to build on the advances that were made in ISTEA—and not go back.

## **Historical Context: Emphasizing Problem-solving**

*Sheldon Edner, Federal Highway Administration*

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It is my job to tell you a little bit about where we came from and where we are going with MIS. Don Emerson will follow with some things we are hearing about from around the country and then talk about the future. This conference, more than anything else, represents an opportunity for the community of transportation professionals, and those individuals concerned about what is happening in transportation, to share experiences and raise the tough questions on what we need to do regarding MIS.

I can tell you from personal experience, having spent the last two years going around the country trying to explain the concept of major investment studies, that it is not easy to explain. We have emphasized that “no one size fits all.” That there is no checklist. That there is no Federal approval of major investment studies. So what is it that we do not approve? It does not have a standard form, and you do not have a checklist for it.

### **Pre-ISTEA issues**

As a point of departure, let me observe that we did not start out just to define a major investment study. The major investment study exists in its own right driven in part and supported by ISTEA. But there were a number of issues before ISTEA. Of concern to many of us was how we made transportation decisions. It had to do, in large measure, with the whole concept of planning and project development linkage. For many people around the country, the concept of planning has been programming. Let's get the project built. Worry about the other justifications and the fine points later on. We will staple it into the plan at some point. We all know that we need it, on what basis we can justify it, and we can explain it to anybody else who may be open to question, but we all know we need it.

In large measure, the MIS process focuses on how to do a better job of connecting the planning process with project development in a way that provides a better rationale, explanation, and basis for sustaining those investments. We are looking for better explanations for why and how to make choices—not between good and bad, but between two goods. How to figure out where to find the money and for what it can be best used.